

## **FACTSHEET**

**TITLE:** Declaration of Surplus Property, requested by the Director of the Urban Development Department, to declare approximately 35,500 sq. ft., or 0.8 acre, more or less, located at 4<sup>th</sup> and "F" Street, as surplus.

**STAFF RECOMMENDATION:** A finding of conformance with the Comprehensive Plan.

**SPONSOR:** Planning Department

**BOARD/COMMITTEE:** Planning Commission  
Public Hearing: 10/26/05  
Administrative Action: 10/26/05

**RECOMMENDATION:** A finding of conformance with the Comprehensive Plan (8-0: Pearson, Carroll, Krieser, Sunderman, Taylor, Esseks, Larson and Carlson voting 'yes'; Strand absent).

### **FINDINGS OF FACT:**

1. This request for declaration of surplus property was heard in conjunction with an associated special permit for a greenhouse.
2. This is a request to declare property located at approximately 305 and 345 F Street as surplus.
3. The City acquired this property in September, 2005, as part of a relocation agreement with the previous owner.
4. The staff recommendation to find the proposed declaration of surplus property to be in conformance with the Comprehensive Plan is based upon the "Analysis" as set forth on p.3, concluding that due to site conditions, the Urban Development Department is unable to use public funds to develop the property as intended with residential uses. The property is surplus to the needs of the City.
5. The testimony by the Urban Development Department as the applicant is found on p.4-5.
6. There was no testimony in opposition to the declaration of surplus property; however, testimony by Danny Walker on behalf of the South Salt Creek Community Organization with concerns about Special Permit No. 05048 for the greenhouse is found on p.5-6, the issues being the underground contamination, parking, water drainage and chemicals used by the proposed greenhouse.
7. On October 26, 2005, the Planning Commission agreed with the staff recommendation and voted 8-0 to find the proposed declaration of surplus property to be in conformance with the Comprehensive Plan (Strand absent).
8. On October 26, 2005, the Planning Commission also voted 8-0 to adopt Resolution No. PC-00958, approving Special Permit No. 05048 for the greenhouse, with conditions (See Minutes, p.7). The appeal period on the special permit expires on November 9, 2005.

**FACTSHEET PREPARED BY:** Jean L. Walker

**DATE:** November 1, 2005

**REVIEWED BY:** \_\_\_\_\_

**DATE:** November 1, 2005

**REFERENCE NUMBER:** FS\CC\2005\CPC.05013

## LINCOLN CITY/LANCASTER COUNTY PLANNING STAFF REPORT

for October 26, 2005 PLANNING COMMISSION MEETING

**PROJECT #:** Comprehensive Plan Conformance # 05013

**PROPOSAL:** The Urban Development Department has requested a review of the application for surplus property at 305 and 345 "F" Street for conformance with the Comprehensive Plan.

**LOCATION:** 4<sup>th</sup> and "F" Streets

**LAND AREA:** 35,500 square feet, or 0.8 acre, more or less.

**CONCLUSION:** The Urban Development Department purchased this property as part of a relocation agreement with the previous owner. Due to site conditions, the Urban Development Department is unable to use public funds to develop this property as intended with residential uses. This property is surplus to the needs of the City.

<b><u>RECOMMENDATION:</u></b>	In conformance with the Comprehensive Plan.
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### **GENERAL INFORMATION:**

**LEGAL DESCRIPTION:** Lots 1-5, Block 172, Original Lincoln, located in the SW 1/4 of Section 26 T10N R6E, Lancaster county, Nebraska.

### **EXISTING LAND USE AND ZONING:**

Single-family dwelling and vacant commercial building R-4 Residential

### **SURROUNDING LAND USE AND ZONING:**

North:	Single- and two-family dwellings	R-4 Residential
South:	Single- and two-family dwellings	R-4 Residential
East:	Single- and two-family dwellings	R-4 Residential
West:	Single- and two-family dwellings	R-4 Residential

**ASSOCIATED APPLICATIONS:** Special Permit #05048

### **HISTORY:**

Jul 1979 Change of Zone #1708 changed the zoning on this property from I-1 Industrial to R-4 Residential.

May 1979 The zoning update changed the zoning on this property from K Light Industrial to I-1 Industrial.

**COMPREHENSIVE PLAN SPECIFICATIONS:** The 2025 Future Land Use Plan shows this area as Urban Residential. (F 25)

**TRAFFIC ANALYSIS:** South 4<sup>th</sup> and “F” Street are identified as local streets, both now and in the future. (E 49, F 103) Local streets provide the lowest level of mobility and generally exhibit the lowest traffic volumes. (F 105) South 3<sup>rd</sup> Street contains railroad tracks, South 4<sup>th</sup> Street is not paved, “F” street is paved.

**ENVIRONMENTAL CONCERNS:** This site is entirely located within the 100-year floodplain. Specific design considerations must be met for new construction on this property. Any development on this property will be required to maintain the amount of flood storage it currently provides.

**ANALYSIS:**

1. This is a request to declare property located approximately at 345 and 305 “F” Street as surplus.
2. The City acquired this property in September, 2005, with the intent to demolish the existing structure and redevelop the property with residential uses. The City has determined there are site conditions that prevent it from doing so as a public project. These site conditions include proximity to the railroad tracks, location in the floodplain, and underground contamination from a previous owner.
3. The Urban Development Department has concluded that selling this property for private development is their only alternative. See attached history provided by Applicant.

Prepared by

Greg Czaplewski  
441-7620, gczaplewski@lincoln.ne.gov

**Date:** October 12, 2005

**Applicant:** Marc Wullschleger, Director  
**and** Urban Development Department  
**Owner:** 808 “P” Street, Suite 400  
Lincoln, NE 68508  
441.7126

**Contact:** Steve Werthmann, Housing Rehabilitation & Real Estate Manager  
Urban Development Department  
808 “P” Street, Suite 400  
Lincoln, NE 68508  
441.8621

**COMPREHENSIVE PLAN CONFORMANCE NO. 05013**  
**and**  
**SPECIAL PERMIT NO. 05048,**

**PUBLIC HEARING BEFORE PLANNING COMMISSION:**

October 26, 2005

Members present: Pearson, Carroll, Sunderman, Krieser, Taylor, Esseks, Larson and Carlson;  
Strand absent.

Staff recommendation: A finding of conformance with the Comprehensive Plan on the declaration of surplus property, and conditional approval of the special permit.

Ex Parte Communications: None.

Additional information submitted for the record: Greg Czaplewski of Planning staff submitted a memorandum outlining revisions to the comments by the Public Works Watershed Management Division, which are hereby substituted for #6.2 and #6.3 of the analysis in the staff report.

Proponents

**1. Troy Gagner, Urban Development,** gave a brief history of the project. Starting in 2003, the city began working with the previous owner (Arck Foods), who had requested to do an expansion at the existing site. It was determined early on that such an expansion was not going to work for the neighborhood and Urban Development began working with Arck Foods to find a new location at a distribution facility at 6240 McCormick Drive. In doing so, Urban Development has been able to retain about 40 jobs and to add 20 jobs with that project.

At that time, Urban Development considered uses for the existing site, including single family housing.

**2. Steve Werthmann, Housing ReHab and Real Estate Manager for Urban Development,** stated that Urban Development is always searching for infill lots for Neighborhood Works and for Habitat for Humanity, and they had considered using this site for Habitat for Humanity; however, Nebraska Department of Economic Development declined the application for funding because of the proximity to the railroad tracks and floodplain, noise and contamination issues. The City Health Department also chimed in for environmental justice reasons and did not want Urban Development to participate. HUD states that projects within 100' of railroad tracks are not a desirable location. There are double railroad tracks on 4<sup>th</sup> and F, which are very close to being within 100'. Urban Development was not interested in seeing any more rental property in the area and thus started exploring more options for a less intense use, with no industrial. Urban Development went back to the neighborhood and it was determined that this special permit would be the best approach because the neighborhood would always be in the loop as far as control of the land.

Werthmann then addressed the proposal before the Commission, which allows a greenhouse business, with botanical gardens around the greenhouse and landscaping to create a point of interest in the South Salt Creek Neighborhood. It was confirmed that this is the site of the old Prairie Maid meat factory.

Carroll inquired whether the applicant for the greenhouse minds moving the building as required by the conditions of approval. Werthmann explained that the original drawing showed the setback in the back yard and Planning suggested that the back yard setback be where the small historic house is located which is being retained. That will be the back yard setback and Urban Development is in complete agreement and they will move the building.

Taylor inquired about the contamination issue. Werthmann advised that there was a leaking underground fuel tank located where the parking lot will be located. The fuel tank was removed in 1994, but the environmental review found a contamination at that location. It was determined that this area could be left alone as long as the parking lot is located over it.

### Opposition

**1. Danny Walker, President of South Salt Creek Community Organization,** submitted the following questions from the South Salt Creek Community Organization:

–Does the existing structure contain asbestos in any shape or form? If yes, what steps will be taken to assure safe removal?

–What type of underground contamination exists on the property?

–Did the NDEQ inspect the property for contamination? If not, who did?

–Was the underground contamination disturbed as a result of major construction (sanitary sewer installation and removal of roads) along the 4<sup>th</sup> Street corridor?

–Who is responsible for the underground contamination and cleanup of it?

–Why wasn't the property checked for contamination prior to purchase?

–Be advised, neighborhood residents seem to think that the contamination actually goes beyond fuel storage tanks.

–Be advised, the paved alley between 3<sup>rd</sup> and 4<sup>th</sup>, E and F Street, is in constant use by residents entering the rear of their properties to park. Therefore, the alley must remain open. Is an alley considered a public thoroughfare?

–Be advised, additional parking on F Street as a result of the new business should be kept to a minimum due to the fact that the F Street pedestrian underpass takes up parking space for safety (law enforcement vision) reasons.

–Be advised, there is huge storm water drainage problem on the east end of the property facing 4<sup>th</sup> Street. In part due to very poor design and poor workmanship involving the so-called new 4<sup>th</sup> Street corridor.

–The neighborhood objects to any restrictions placed on the business regarding parking on the business's property adjacent to 4<sup>th</sup> Street.

–Will the proprietor of the nursery act responsibly regarding any and all types of chemicals used at the proposed nursery?

–Will air contaminations from the locomotives on the 3<sup>rd</sup> Street corridor affect the nursery?

–Will dust (pulverized limestone) from traffic on 4<sup>th</sup> Street have an adverse effect on the nursery?

Walker requested that the applicant provide written answers to these questions within 10 days. Otherwise, the South Salt Creek Community Organization will appeal the special permit to the City Council.

In response, Greg Czaplewski of Planning staff advised that the alley is a public alley and he does not believe that the proposed use would be closing that for any purpose. They are showing a gate and a screen along the alley that they may use for deliveries once in awhile.

Pearson inquired whether the site was tested for contamination before it was purchased. Werthmann stated that one testing was done by HWS (phase II environmental). They researched the records for any contamination and they followed up with the soil borings to find the underground tank contamination. As far as other contaminants, nothing else was found by the testing. The asbestos is being removed by qualified asbestos removers and all of the asbestos contamination will be eliminated.

As far as responsibility for clean-up, Werthmann advised that to be the reason for placing the parking lot at that location. There will be an agreement with the owner that the city may come back in at some point in the future and monitor the contamination and do the clean-up, if need be. The previous owner (Arck Foods) was not responsible for that contamination, and Prairie Maid is no longer in business. NDEQ determined that the city is now responsible. DEQ can do the cleanup and the city will bear the cost of any cleanup.

As far as parking on F Street, at the time of the original site plan, there was already a curb cut coming off F Street and nothing on 4<sup>th</sup> Street. The site plan showed access from F Street and from 4<sup>th</sup> Street. The Planning staff suggested limiting the entrance for the parking on 4<sup>th</sup> Street instead.

As far as chemicals being used by the greenhouse, Werthmann advised that the owner will use insecticidal soap on the plants, which is very environmentally friendly. He will not use any other type of insecticides. That is the only chemical that will be stored. There will be some fertilizer for the potted plants.

Werthmann agreed to provide written answers to the questions by the South Salt Creek Community Organization within 10 days.

**COMPREHENSIVE PLAN CONFORMANCE NO. 05013**

**ACTION BY PLANNING COMMISSION:**

October 26, 2005

Carroll moved to find the proposed declaration of surplus property to be in conformance with the Comprehensive Plan, seconded by Larson and carried 8-0: Pearson, Carroll, Krieser, Sunderman, Taylor, Esseks, Larson and Carlson voting 'yes'; Strand absent. This is a recommendation to the City Council.

**SPECIAL PERMIT NO. 05048**

**ACTION BY PLANNING COMMISSION:**

October 26, 2005

Carroll moved to approve the staff recommendation of conditional approval, with the amendments to the analysis submitted today, seconded by Taylor.

Pearson noted that the city purchased property that was vacated by a business that was relocated, which is good. So then we have this property that is a problem because we don't have a tenant. Her only concern is that we have a business that is interested in the site which will take demolition of the existing building, and we have a business in the plant business (hopefully not plants that you can eat because it appears we are going to leave in place an underground contamination). She does not feel very good about it but she will vote in favor because she does not know what other plan might be any better. She is trusting that the business will take care of the site, but she does have a lot of questions about the site.

Carroll complimented Urban Development because it was a problem site. The housing did not work, but they did not stop there and moved forward to move another business into the city. He thinks a nursery is a good fit for the area. It is good for the city and for the neighborhood.

Larson agreed. He is familiar with the site and this is going to be a tremendous community improvement for that area.

Taylor expressed concern about the contamination and any potential costs involved in the cleanup. He admires what is being done and it took a lot of imagination to come up with this plan. He does not want to discourage that, but he really has a cause for concern with the contamination and how serious of a problem it could be in the future and how it will affect the vegetation that is going to be planted.

Motion for conditional approval, with the amendments to the analysis submitted today, carried, 8-0: Pearson, Carroll, Krieser, Sunderman, Taylor, Esseks, Larson and Carlson voting 'yes'; Strand absent. This is final action, unless appealed to the City Council within 14 days.



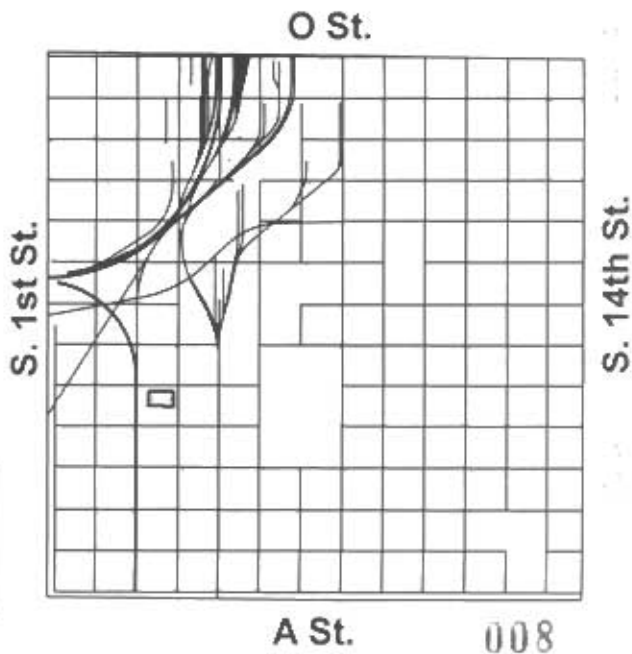
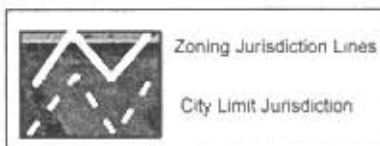
2005 aerial

## Comp. Plan Conformance #05013 305 & 345 'F' St.

### Zoning:

R-1 to R-8	Residential District
AG	Agricultural District
AGR	Agricultural Residential District
R-C	Residential Conservation District
O-1	Office District
O-2	Suburban Office District
O-3	Office Park District
R-T	Residential Transition District
B-1	Local Business District
B-2	Planned Neighborhood Business District
B-3	Commercial District
B-4	Lincoln Center Business District
B-5	Planned Regional Business District
H-1	Interstate Commercial District
H-2	Highway Business District
H-3	Highway Commercial District
H-4	General Commercial District
I-1	Industrial District
I-2	Industrial Park District
I-3	Employment Center District
P	Public Use District

One Square Mile  
Sec. 26 T10N R6E







# CITY OF LINCOLN NEBRASKA

MAYOR COLEEN J. SENG

lincoln.ne.gov

Urban Development Department  
Marc Wullschleger, Director  
Haymarket Square  
808 "P" Street  
Suite 400  
Lincoln, Nebraska 68508  
402-441-7606  
fax: 402-441-8711

September 15, 2005

Marvin Krout  
Director  
Lincoln/Lancaster County Planning Department  
555 South 10<sup>th</sup> Street, Suite 213  
City/County Mailroom Box 16  
Lincoln, NE 68508

RE: Surplus Property Declaration at 345 and 305 "F" Street, Lincoln,  
Nebraska

Dear Marvin:

The Urban Development Department, City of Lincoln wishes to declare the site commonly known as Cedar Hollow Foods located at 345 and 305 "F" Street as surplus to its needs. The property involved is legally described as:

Lots 1 through 5, Block 172, Original Lincoln, Lancaster County, Nebraska, and contains a total of 35,500 square feet, more or less.

The Urban Development Department now wishes to receive formal approval of the City Council for disposal of these properties to a private party.

By this letter, we are requesting that the Planning Department initiate the procedure to declare the property surplus by placing the matter on the Planning Commission's Agenda on October 12, 2005 for its report and recommendation to the City Council and to thereafter forward this request to the City Council for approval of the sale of the property.

Please find attached reference material for the property in question.

Thank you for your assistance and attention to this matter. If you need anything further in order to proceed with this request, please call Troy Gagner at 441-7862.

Sincerely,

Marc Wullschleger, Director  
Urban Development

## **History of the Economic Development Effort for the Site**

Starting in 2003, Darl Nauman and Troy Gagner, Economic Development Coordinators for the Mayor's Office and Urban Development Department respectively, began working with Cedar Hollow Foods (Arck Foods) in an effort to solve some of the problems the owners were experiencing at 4<sup>th</sup> & F Street.

Arck Foods wanted to expand their current operation which would increase the size of their building, add employees and increase the number of 18-wheelers delivering to the site. They had clearly outgrown this location and were receiving offers from other states to relocate their business.

The neighborhood had an expanding industrial site that was no longer a good fit for the area.

Darl and Troy were faced with the task of relocating this business to a more suitable area while, at the same time, keeping this thriving business in Lincoln.

Arck Foods has now been successfully relocated to 6240 McCormick Drive in Lincoln and 39 jobs were not only retained but another 20 jobs were created for the local economy. Clearly, the City of Lincoln has already obtained a benefit from this transaction.

The second part of the task is to find a neighborhood-friendly use for the old location.

The first alternative was residential use, however, several issues were raised during the exploration of this option. The environmental review, required by HUD, found contamination on two of the five lots. Another one of the lots contained a house which is part of the historic district. The proximity of the railroad tracks brought up concerns of noise and vibration. The flood plain was also an issue for locating any type of residential housing.

Inquiries were made into the possibility of land for the Parks and Recreation Department but a "mini-park" was not a practical or efficient budget alternative with Cooper Park only two blocks away.

Another alternative was to change the zoning to "B" or "I", however, that would open the possibility of an undesirable use of this land in the future. The neighborhood did not want just any business use on the property and industrial zoning was out of the question. If the site was currently zoned Industrial instead of a special permit with industrial use, then Arck Foods could have sold the property to a company with a more-intensive, less-desirable use.

This is the reason Urban Development is proposing to continue a special permit for this site along with its request for surplus.

At some point in the future, if this site is no longer used for what Urban Development is proposing, the decision for the future use would revert back to the control of the City with input

from the neighborhood.

Urban Development is working with a retail greenhouse owner who wishes to move his business to Lincoln and this site fulfills his needs as well as the need of the area for a neighborhood friendly business.

Here is a summary of the major issues that were considered to arrive at this proposal;

#### **Flood Plain**

This business will have no net rise in regard to the flood plain as the 12,000 sq ft "footprint" of the Arck Foods building will be replaced with less than 5,000 sq ft. If the greenhouse is considered a flow-through structure, then the benefit to the flood plain will be even greater. The new owner will work with Public Works and Building & Safety on the retail structure (600 sq. ft.) for elevation/flood-proofing or a combination of both. The grade on the site will not change.

#### **Environmental**

No structures will be placed on the contaminated area. The contamination will be capped with a parking lot (and a possible location for a trail head for the City bike trail) on the north half of Lot 1. The owner will further grant the City access to the property for monitoring of the contamination.

The greenhouse owner, in the conducting of his business, will have at any given time six 40lb bags of Peters 20-20-20 Fertilizer and uses insecticidal soap and horticultural oil to control insects.

#### **Historic**

The existing house that was used as a break room by Arck Foods will be preserved by the new owner. The house's front and backyard area will be landscaped as an example of the products available from the greenhouse.

#### **Neighborhood**

The Urban Development Department has met with the South Salt Creek Neighborhood Association and obtained their approval for the proposed use.

The neighbors will benefit from the reduction of truck traffic to the area and the removal of the Arck Foods building.

As previously discussed, ownership of this land by the Parks Department was not a practical alternative. However, the proposed gardens on the site will greatly enhance the neighborhood environment.

The Special Permit will prevent any future use of the land for anything except the proposed use.

#### **Economic Development**

The City of Lincoln has already benefitted from the relocation of Arck Foods which retained 39 jobs and created an additional 20 jobs.

The greenhouse owner is a long time resident of Lincoln and has been waiting for the right opportunity to relocate. This proposal will add another small business to the community.